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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR--Middle East summit tactics: Soviet diplomats have begun to hint that Khrushchev in a summit meeting at the United Nations will press for the neutralization of at least part of the Middle East, backed by great-power guarantees. As a first step, Khrushchev would call for the creation of an international commission of neutral countries, along the lines of the Indochina Control Commission, which would supervise the withdrawal of American and British forces, the holding of early elections in Lebanon and Jordan, and the cessation of arms shipments to the area as part of a nonintervention agreement among the big powers.

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Geneva technical talks: Dr. Fisk, the chairman of the Western delegation, believes that the Russians want the Geneva talks to succeed, that they desire an early agreement on cessation of nuclear tests, and that they will continue to make concessions to get it. He notes that in every important case, the Soviet bloc delegates have accepted the major elements of the Western position. Moscow's objective probably continues to be an agreement in principle to a minimal inspection system in order to increase pressure on the United States and Britain to halt tests, but to make it more difficult for them to insist later on a more extensive control system.

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Hungary: Kadar's recent actions and his treatment by other members of the regime and the press suggest that his position as party chief remains shaky. His opponents may be trying to effect his removal by convincing Moscow that he is incapable of effective leadership. His ouster would probably lead to the elimination of the few vestiges of leniency in Hungarian internal policy.

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Tunisia: President Bourguiba has asked the United States and Britain to supply weapons so the Tunisian Army can carry out its mission of maintaining internal security. France has offered some equipment from military stocks in Tunisia, but Bourguiba says that acceptance would complicate his difficulties with the Algerian FLN. Both Bourguiba and his director of security cited a possible crackdown on the Algerian rebels inside Tunisia.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Diplomats Hint Khrushchev Will Seek Summit Agreement to Neutralize Middle East

Recent statements by Soviet diplomats in London and Paris suggest that Khrushchev will press for a discussion of the whole range of Middle East problems at the projected heads-of-governments meeting at the United Nations. These spokesmen have hinted that he will urge a great-power guarantee of the neutralization of at least part of the Middle East and an agreement on nonintervention which would include an embargo on arms shipments to the area.

Communist diplomatic sources in London said on 26 July that Khrushchev, as a first step, will call for the creation of an international commission of neutral nations, along the lines of the Indochina Control Commission, to supervise the withdrawal of American and British forces, early elections in Lebanon and Jordan, and observance of a great-power nonintervention agreement. The counselor of the Soviet Embassy in Paris told an American official on 25 July that he expects the talks to be limited to the Middle East and hinted that Khrushchev will press for a cessation of arms shipments to the area. He also said he would not exclude an attempt to get agreement to the neutralization of one or more nations along the lines of Austrian neutrality.

The Soviet counselor said he was hopeful that the summit talks in New York would start within the next two weeks. He expressed surprise that Premier de Gaulle objects to a conference at the United Nations, but said he expects De Gaulle will finally agree to attend, especially since France will be chairman of the Security Council in August. The Soviet counselor indicated that the "interested Arab states" which Khrushchev has insisted should participate include the UAR, Jordan, Lebanon, and Saudi Arabia. He said they do not include Turkey, Iran, Pakistan, and Israel,

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but hinted that a discussion on this point was possible. He said he expects President Nasir to attend personally and the new Iraqi Government to be represented by its United Nations delegate.

These early hints concerning Khrushchev's line at summit talks suggest that his basic proposals will closely resemble the USSR's call on 11 February 1957 for a great-power declaration stating that their policies in the Middle East will conform to six principles: (1) solution of problems by peaceful means; (2) noninterference in domestic affairs of Middle Eastern countries; (3) renunciation of attempts to involve these countries in military blocs; (4) liquidation of foreign bases and withdrawal of troops; (5) mutual ban on arms deliveries; and (6) promotion of economic development in the area without political or military conditions.

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Kadar's Opponents May Be Trying to Talk Moscow Into His Removal

Hungarian party chief Kadar's position continues in doubt. His opponents in the party, encouraged by the ideological break with Belgrade and the Nagy execution, may be trying to effect his removal by convincing Moscow that Kadar, who has shown reluctance to condemn the Yugoslavs and who has failed to unify the party or to stimulate marked gains in economic production, is incapable of effective leadership. His ouster, if effected, would probably lead to the elimination of the few vestiges of leniency in Hungarian internal policy.

On his return from the East German party congress, where he probably conferred with Khrushchev, Kadar was not met by any prominent regime leaders, and no official reports by him to the party or government guiding bodies--normal occurrences in such a situation--have been reported in the press. His only appearance since that time was at the Polish National Day reception on 22 July.

Kadar's slowness in following the Soviet lead in the campaign against Yugoslavia, which was again apparent from the treatment given his speech to the East German party congress, probably has annoyed Moscow, and the long-delayed Hungarian note of 21 July to Yugoslavia, which again and in detail condemned the Yugoslav role in the Hungarian revolution, may reflect continued disagreement between Kadar and his opponents on this issue. The very strong condemnation of the Yugoslavs in this note, connecting Yugoslav officials specifically with "treasonous" acts committed by Nagy and his followers, was not consistent with Kadar's previous line. The argumentation in the note was weak, and it included a perfunctory bow to the bloc line that continued good state relations with Belgrade are desired.

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Tunisia Requests New Arms Shipments From the United States and Britain

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President Habib Bourguiba on 23 and 24 July requested Britain and the United States to supply arms for his small, ill-equipped army to meet the security threat posed by the presence of armed Algerian rebels in Tunisia. In a separate appeal, Director of Security Driss Guiga on 23 July told the American ambassador that his police units needed immediately some 200 automatic rifles and several hundred submachine guns to dissuade the Algerians from attempting "something."

The US and Britain supplied Tunisia by airlift with several hundred small arms last November, but denied a second appeal for arms in May. France has offered Tunisia some of the equipment used by troops which are now being evacuated from Tunisia. Bourguiba fears acceptance of French arms would incite comment by the Algerian National Liberation Front (FLN)--which has already sharply attacked him for granting a pipeline concession to a French firm--that he had made some kind of military peace with France against the Algerians, and thus would reduce his ability to influence the FLN.

Bourguiba also is still sensitive to earlier French attempts to maintain a monopoly over Tunisia's arms sources--a policy which French officials now claim to have abandoned--and prefers alternate Western sources so that France would be unable to maintain an inventory of Tunisia's materiel.